IN THE HIGH COURT OF JUDICATURE AT BOMBAY
APPELLATE SIDE
Civil Application No.2344 of 2007
In
Writ Petition No.10493 of 2004

The Sangli District Central
Co-operative Bank Ltd., Sangli Applicant

Vs.

The Manganga Sahakari Sakhar
Karkhan Ltd. & ors. Respondents

With
Civil Application 3055 of 2007
In
Writ Petition No.10493 of 2004

Employees Provident Fund Organizaion Applicants

Vs.

The Manganga Sahakari Sakhar
Karkhan Ltd. & ors. Respondents

Mr.Umesh Mankapure for Sangli District Central Co-op. Bank Ltd.

Mr.Suresh Kumar for Employees Provident Fund Organization.

Mr.Uday Warunjikar for org.petitioner-Karkhana.

CORAM: B.H.MARLAPALLE, J.

December 6, 2007.

P.C.

. Civil Application No.2344 of 2007 is filed by

the Sangli District Central Co-operative Bank Ltd.

praying for withdrawal of the amount of sale proceeds which is lying with the Registry of this Court. This application has been opposed by the Regional Provident Fund Commissioner, SRO, Kolhapur by pointing out that the provident fund recoveries under Sections 7A, 7B and 14B of the Provident Fund Act have priority over all other dues. Civil Application No.3055 of 2007 is filed by the Regional Provident Fund Commissioner praying for directions for refund of Rs. 5,70,44,658/-. As per the said authority the outstanding balance of damages under Section 14B comes to Rs.2,95,65,042/- whereas the interest under Section 7Q comes to Rs.1,05,48,144/- thus making a total of Rs.4,01,13,186/-. It is further pointed out that the recoveries under Section 7A order outstanding as of now comes to Rs.1,69,31,472/-.

. Mr.Warunjikar appearing for the sugar factory states that the recovery order passed so far as it relates to the damages under Section 14B of the Act is concerned, it is being challenged by filing an appeal before the Appellate Authority under the P.F. Act. Mr.Suresh Kumar, however, pointed out that no such appeal has been filed as of now. Mr.Mankapure, the learned counsel appearing for the Bank also

stated that the Karkhana is filing an appeal against the order passed under Section 14B of the Act.

. Having regards to the orders passed by this Court in similar circumstances in Writ Petition No. 6824 of 2005 and L.P.A. No.28 of 2004, it would be proper that the outstanding amount of Rs.1,69,31,472/- due under Section 7A of the PF Act and the interest amount of Rs.1,05,48,144/- as per the order passed under Section 7Q of the PF Act are allowed to be withdrawn. This total amount will come to Rs.2,74,79,616/-.

. Hence both the civil applications are disposed off by the following order:

(a) Amount of Rs.2,74,79,616/- (Rupees two crores seventy-four lakhs seventy-nine thousand six hundred and sixteen only) is directed to be refunded to the Regional Provident Fund Commissioner, Kolhapur.

(b) The remaining amount is directed to be invested in a fixed deposit with any nationalised bank initially for a period of one year, if the

applicant-Bank fails to furnish an undertaking within two weeks that the fixed deposit will be accepted by it and it shall pay an interest in excess of 9.5 per cent per annum.

(c) In case the undertaking is filed by the applicant-Bank, the balance amount be deposited with the said Bank on the basis of the undertaking, initially for a period of one year.

(B.H.MARL